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*The Street Railway System of Philadelphia: its History and Present Condition.* By FREDERIC W. SPEIRS. Johns Hopkins University Studies in Historical and Political Science, Fifteenth Series, III-V. Baltimore, The Johns Hopkins Press, 1897. — 123 pp.

*The Street Railway Problem in Cleveland: a Statement of Existing Conditions; and a Discussion of the Policy which the City should Pursue with regard to its Street Railways.* By WILLIAM ROWLAND HOPKINS. Economic Studies, Vol. I, Nos. 5-6. New York, published for the American Economic Association by The Macmillan Company, 1896. — 94 pp.

*The City of Cleveland in Relation to the Street Railway Question.* By FREDERIC C. HOWE. Bulletin of the Municipal Association of Cleveland, O. Cleveland, 1897. — 19 pp.

*Ninth Biennial Report of the Bureau of Labor Statistics of Illinois.* Subject: Franchises and Taxation. Springfield, State Printers, 1897. — 320 pp.

*Extracts from the Eighteenth Annual Report of the Missouri Bureau of Labor Statistics, relating to Street Railway Franchises.* By LEE MERIWETHER. Jefferson City, State Printers, 1897. — 16 pp.

*Report and Testimony of the Special Committee of the [New York] Assembly to Investigate the Desirability of Municipal Ownership of the Street and Elevated Railroads of the Various Cities of the State.* Albany and New York, State Printers, 1896. — 2 vols., 1971 pp.

If street railways have been somewhat slighted hitherto by writers on economic subjects, there is evidence that a reaction has set in, and that local transportation systems are now seen to be well worth studying, both in and of themselves and in their relations to state and city governments. The official and private investigators who have recently studied the street railways of New York, Philadelphia, Cleveland, Chicago, St. Louis and Kansas City have found strikingly similar conditions in these widely separated cities. The phenomena of over-capitalization, excessive profits and evasion of legal obligations are everywhere observed. In all these cities the street railway companies enjoy franchises of great value, for which they make very inadequate returns; and they are subject to no efficient public control. Franchises have been granted in all these places for little or

no remuneration, in the face of determined public opposition and under circumstances pointing strongly to corrupt influences. It is evident that American cities have not yet learned how to deal with their street railway companies. The most encouraging feature of the situation, however, is the appearance of these rather discouraging monographs, for they give evidence of the awakening of an interest which they cannot fail to stimulate.

Professor Speirs' admirable study begins with a sketch of the development of the Philadelphia street railway system, and, after narrating the early struggles over Sunday cars and the exclusion of negroes, passes to the more important subject of the evolution of monopoly. Here it is shown that there was at first an alliance through a board made up of the presidents of the various companies, and finally a series of consolidations which united under a single management all but one of more than a score of originally separate lines. Then follows an account of Pennsylvania's rather unsuccessful attempts to secure publicity through statements of the financial condition of the companies. It appears that Philadelphia probably has the right, under an ordinance of 1857, to purchase its street railways at the original cost of construction, and there has been some agitation for taking advantage of the right. A chapter on "Corporate Influence in State and Municipal Government" is devoted to telling how the legislature and city councils have given away franchises. A final chapter deals with the relations between the railway companies and their employees.

In Cleveland the story of the process of consolidation and of the apparently corrupt relations between the street railways and the legislators and councilmen differs only in details from that of Philadelphia. The state law requiring franchises for new lines to be sold to the bidder offering the lowest fares has been rendered ineffectual by the practice of authorizing the opening of new routes by the old companies as extensions, without competitive sales. After sketching the history and present condition of the Cleveland lines, Mr. Hopkins discusses the relative merits and difficulties of municipal and of private ownership; and, in view of the great cost of purchase and the probable lack of economy in municipal operation, he decides in favor of the franchise system, though advocating the reduction of fares and other changes. As for the proposal to purchase the tracks in order to lease them again, he points out a truth which is often overlooked, namely, that there is little difference in principle between leasing streets with tracks in them and disposing of the streets alone.

Mr. Howe's brochure was written in opposition to certain proposed ordinances for the extension of franchises, introduced according to custom several years before the expiration of the existing grants. The ordinances provided for some slight concessions to the city, but Mr. Howe shows their inadequacy by comparing them with the arrangements made in Detroit, Reading, Indianapolis, Toronto, Montreal, Richmond, Baltimore and New York; and he points out that the burden of proof should be upon the companies asking for concessions, to show why the conditions should not be as stringent as in other cities. He would make provision for revaluations every eight or ten years, as well as for purchase by the city.

The greater portion of the latest report of the Illinois bureau of labor statistics is devoted to street railway franchises in Chicago; and this part of the report, together with chapters on telephones and gas companies, was prepared by Professor E. W. Bemis, late chief special agent of the bureau. There is an introductory chapter on municipal government in general, with special reference to franchises; and this is followed by an historical sketch of the Chicago street railways, which brings to light many interesting facts. The first franchise ordinance and some of the other early grants reserved to the city the right of purchase at the expiration of a specified term. The companies are nominally required to pay a license fee of fifty dollars for each car; but, by an ingenious arrangement, the number of cars is taken to be the average daily number of trips divided by thirteen, or about one-sixth of the real number of cars. Thus the car license in Chicago amounts to less than the dog license, and is much too small to counterbalance the under-assessment of the railway companies for taxation, as compared with other property. The profits of the principal surface railways are estimated at from  $15\frac{1}{2}$  to 17 per cent of the capital invested, which is shown to mean that the stockholders must receive nearly 30 per cent. Careful estimates of the cost and of the present value of the roads and their equipment are made in order to determine the degree of over-capitalization, which is shown to be excessive; and some particularly remarkable performances in stock-watering are described in detail, with quotations from a paper by Mr. Frank A. Vanderlip. Some account is given, also, of the financial operations of the Chicago elevated roads, some of which have been so heavily capitalized that they have not been able to meet their obligations. The portion of this report dealing with street and elevated railroads was of such interest to the people of Chicago that it was published by a committee of citizens in advance

of its official publication and was used at the last session of the legislature to oppose the Humphrey bills for the extension of franchises.

The Missouri commissioner of labor devotes the first eighty-two pages of his report for 1896 to the street railway situation in St. Louis, Kansas City and St. Joseph. The main points of this paper are given also in a condensed reprint, bristling with black-faced type and graphic statistics. The railway companies are charged with fraudulent evasion of property and license taxes, as well as with ordinary under-assessment and over-capitalization; and there is a discussion of the effects of free transfers and reduced fares. The reader who looks for the results of the law of 1895, requiring franchises to be sold to the highest bidder, will find only that a day or two before the law went into effect an ordinance was rushed through the Kansas City council extending nearly all the existing franchises and granting new ones.

These monographs make possible some instructive comparisons. The average capitalization per mile of single track is \$242,280 in Philadelphia, \$130,000 to \$147,500 in Cleveland, \$126,255 for the principal surface railways of Chicago and \$175,500 in St. Louis, although the cost of duplicating the Chicago roads, including the expensive cable construction, tunnels and equipment, is ascertained to be about \$60,000 per mile of track. The value of the street railway franchises is estimated to be \$75,100,000 in Philadelphia, \$60,000,000 in Chicago, \$29,572,000 in St. Louis, \$18,000,000 in Cleveland and \$6,014,580 in Kansas City.

The report of the New York special investigating committee is the least satisfactory of all these publications on street railways. There are nearly two thousand pages of evidence, doubtless containing much valuable information; but to look for it is like searching for a needle in a haystack, for there is neither an index nor a table of contents. The committee itself has not thoroughly digested the evidence, and there is little hope that any student will take the pains to do so. The committee's report is too brief to be of very much value, but it contains some interesting suggestions respecting reduced fares and the prevention of over-capitalization. Municipal ownership seems not to have been considered very seriously, though the committee intimates that this might have been done, if it had been dealing with the subject anew, before any roads had been built.